



The Michigan Legislature Lansing, Michigan

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Dems Unveil Plan to Help Families Fight High Heating Bills

Legislation bans winter shut-offs, sets up emergency fund, strengthens heating assistance program and offers incentives for home winterization

LANSING – Amid projections that heating costs will skyrocket this winter, Senate and House Democrats today announced an emergency energy plan to help families cope. Key components of the package include banning utilities from shutting off heat to homes during winter months, providing payment assistance through emergency funds and offering incentives to help families make their homes more energy efficient.

"Michigan families deserve relief from the harsh cold of winter and financial hardships, and that's what this legislation does," said State Rep. **Gary McDowell** (D-Rudyard). "With home heating costs expected to rise dramatically, many families will be struggling to ensure their homes are safe and warm for their children or their parents. Michigan is facing an emergency situation when winter hits. This legislation ensures that we are prepared to help our families cope with big heating bills."

The Democratic legislation will:

- Ban utility companies from shutting off heat service during winter;
- Provide additional funding for energy assistance funds;
- Give the Michigan Public Service Commission the power to shift \$5 million from research into a fund to help people pay heating bills;
- Set up a database to coordinate volunteers willing to help with winterization efforts; and
- Give residents a tax break if they winterize their homes.

The MPSC announced this week that natural gas heating bills this coming winter will jump 46 percent or \$59 a month on average. The average winter bill in 2005-06 is projected to be close to \$200, the MPSC said in its report released Tuesday.

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"We aren't willing to just cross our fingers, hold our breath and hope that the crushing costs of home heating aren't as bad for consumers as early reports indicate," said State Sen. **Deb Cherry** (D-Burton).

"Michigan is in the path of a home heating cost disaster and the proposals we're putting forth will help us minimize the damage."

The legislation bans utility companies from shutting off service between Dec. 1, 2005, and March 15, 2006, to households earning 200 percent above the poverty level, or approximately \$40,000 for a family of four.

It will also put more money into the Low-Income Home Energy Assistance Program (LIHEAP); expand LIHEAP eligibility from 110 percent of the poverty level to 125 percent; and give recipients more money, from \$210 a year to \$250.

Under the legislation, people who winterize their homes and install energy-efficient appliances can get 50 percent of their expenses back in tax credits, up to \$2,500. The credit is available to households that make up to 300 percent of the poverty level, or approximately \$58,000 for a family of four.

Other bills in the package let tax filers donate to an energy fund; call for an energy summit to find long-term solutions to heating issues; and call for more federal funds to help with heating costs.

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